

Council for Labor & Economic Growth  
Quarterly Meeting  
Grand Traverse Resort & Conference Center  
Tuesday, September 12, 2006  
1:00 p.m. – 4:00 p.m.

MEMBERS PRESENT:

Derek Adams (via phone)	Frank Lopez	Kester So (via phone)
Patrick Cannon	Sharon Parks	Robert Swanson
Matthew Chambers	Sharon Peters (via phone)	Mary Thornton
Bradley Dyer	Gene Pierce	Mitch Tomlinson
Doyle Hayes	Sharon Rivera	John Van Wyck
George Heartwell (via phone)	Trenda Rusher	George Yost
Win Irwin	Michael Schmidt	J. Michael Zelle
Mitzi King (via phone)	Jaye Shamsiddeen	

MEMBERS ABSENT:

Wilma Abney	James Epolito	Juan Mestas
Kenneth Baker	Christopher Fitch	Shelly Norman-Hill
E. Sharon Banks	Michael Flanagan	Janet Olzewski
Lloyd Bingham, Ph. D.	Norma Hagenow	William Peterson
David Binkley	Dennis Hands	Phillip Power
Ted Blashak	John Hernandez	Hubert Price, Jr.
Richard Blouse, Jr.	Thomas Hickner	Alan Sanborn
Harry Bonner, Sr.	Robert Jacquart	Patricia Shimmens
Antoon Brusselman	Eleanor Josaitis	Buzz Thomas
Michael Bryanton	Janet Joseph	Marianne Udow
Matt Brynildson	Jack Litzenberg	John Voorhoorst
David Eisler	Alan Low	Lynn Zuellig

I. CALL TO ORDER

Mr. Mitch Tomlinson, Vice-Chair, called the meeting to order at 1:30 p.m. Mr. Tomlinson welcomed the Council members and indicated there were some members participating via phone. Council members on the conference call were Ms. Sharon Peters, Ms. Mitzi King, Mayor George Heartwell, and Mr. Kester So.

Mr. Tomlinson acknowledged two newly appointed CLEG members. Mr. Timothy Nelson, President of Northwestern Community College and Mr. Patrick “Shorty” Gleason, President of the Michigan Building and Construction Trades Council were in attendance. The names of additional appointees would be forthcoming. Mr. Tomlinson also acknowledged Ms. Lena Barkley from CVS Pharmacy, who recently joined the Low-Wage Worker Strategy Committee.

Director Robert Swanson announced the appointments of new department leadership. Ms. Sharon Bommarito, former Director of the Unemployment Insurance Agency, has been appointed as Deputy Director, and Ms. Rita Canady, former Director of Human Resources, has been appointed as Deputy Director. In addition, Mr. Doug Kalinowski is now Acting Deputy Director. Director Swanson provided an update on DLEG activities, including the following:

- DLEG, the Michigan Department of Transportation, and Michigan Works! partnered on a Detroit Youth Summer Jobs Program enabling youth to gain work experience as well as enroll in the E-Commerce Summer Camp operated by Wayne State University School of Business Administration.
- There are 23 Cool Cities projects this year ranging from Iron Mountain to Tecumseh and from Benton Harbor to Detroit. The Cool Cities initiative is helping to facilitate job creation and the new Cool Cities designees report that the program will assist in the creation of 456 full-time and 11 part-time jobs.
- The Cool Cities Initiative has had a major, positive impact. The Cool City designation caused other community groups to get involved with revitalization. The designation offered tremendous value in leveraging significant contributions to communities. In total, over \$350 millions was contributed by public (\$63 million), state (\$109 million), and private (\$174 million) organizations.
- The State of Michigan web site was named number one in the country by the Center for Digital Government. Some of the features that helped earn the award were DLEG web enhancements including:
  - The ability for corporations to file annual reports on line; and
  - The ability for employers to e-register for business tax identification.
- The biggest news is the awarding of \$100 million of the 21<sup>st</sup> Century Jobs Fund to 61 businesses that will be involved in commercializing research in Michigan.

A video clip of the State's new marketing campaign "Michigan Gives You the Upper Hand" and "Pure Michigan" was shown. This video can be found on [www.michigan.org](http://www.michigan.org).

Mr. Patrick Cannon, CLEG member, stated that October has been proclaimed as Invest in Ability Month by Governor Granholm. Council members were encouraged to recognize contributions made by people with disabilities in the workplace. A new website has been launched by the state devoted solely to the interests and concerns of people with disabilities. The site contains information about accessible housing, employment assistance, assistive technology, and accessible transportation, in addition to other topic areas. The website address is [www.michigan.gov/disabilityresources](http://www.michigan.gov/disabilityresources).

Mr. Matthew Chambers, CLEG member, represented Michigan at the National Association of State Workforce Board Chairs Summer since Mr. Tomlinson was unable

to attend. Topics from the conference included a focus on youth as the future workforce, assessing for soft skills to educate and promote good work habits and relations with employers, and the Hispanic workforce. Mr. Chambers stated Michigan has done an excellent job in branding our workforce system as Michigan Works!

## II. ACTION ITEMS

Due to the absence of a quorum, the action items were not voted on and will be convened to the next Council quarterly meeting.

## III. SOLUTIONS SIGNING CEREMONY

Mr. Chambers, Chair of the Accelerating Re-Employment Committee, facilitated the SOLUTIONS Signing Ceremony. Mr. Chambers thanked the committee and all individuals who worked on the SOLUTIONS document. In order to move forward outcomes must be measured based on the six values of SOLUTIONS. The first measure will be the participation in terms of signatories. In addition to this, a monthly SOLUTIONS newsletter will be forthcoming that would target one of the values each month. The purpose of the newsletter would be to not only site best practices, but also ask signatories to respond to how their organizations align with the values and measure them. Mr. Chambers stated that Governor Jennifer Granholm endorsed SOLUTIONS and has thanked the Council for the work that brought this forward. Signatories include Michigan Works! Association, Three Rivers Health, and other organizations and associations.

Mr. Chambers thanked everyone for participating and reminded Council members and meeting attendees to promote SOLUTIONS for Michigan's 21<sup>st</sup> Century Workforce. If we are aligned, focused, and targeted in the work that we do, we will have a sufficient impact on turning Michigan's economy around.

## IV. MICHIGAN: ECONOMY IN TRANSITION

Mr. Michael Schmidt, CLEG member, provided a presentation on Michigan: Economy in Transition. The presentation is based on a study of the Great Lakes Region conducted by Mr. John Austin and the Brookings Institution. In summary, common challenges and assets link the Great Lakes states. These challenges include:

- Scattered cities/factory towns with mature products
- Social welfare legacy costs (pension, health, etc.)
- Economic nostalgia culture
- Low education levels (with some talent magnets)
- Lag in entrepreneurship
- Brain drain
- Aging population
- Legacy of place costs/old, beat up, segregated

Some of the assets of the Great Lakes states are:

- Economic/population size – growing, huge market
- Advanced manufacturing and global industry cluster base
- Decision and R & D center in key global sectors
- Research, knowledge, talent producer
- Great Lakes – “North Coast” recreation, tourism and quality of life advantages
- Global cities, firms, and universities
- Water, other infrastructure for sustainable growth

The full Brookings Institute report would be completed in October and will be shared with the Council. CLEG members were asked to focus on three questions in relation to information from the report:

- What are the opportunities for Michigan that you see stemming from this report?
- What are the human capital development needs that Michigan needs to address based on this analysis?
- What is CLEG working on that can help meet those needs? What should we be working on that we are not?

An open discussion ensued. Comments from CLEG members included:

- Information on the aging population is shown to be problematic, however this is not always the case. Florida conducted a study on the impact of their aging population and discovered the economic engine of seniors is their economy, and to try and change that would hurt their economy, not benefit it. Florida is now looking towards making areas more universally accessible to be more attractive to seniors.
- The Flint area has 40,000 retirees with comfortable incomes from pensions that they would like to encourage to stay in the area. Even though Cool Cities is important, attracting an older population and making it easier for individuals to navigate in an area around is also important.
- Technology is what keeps people with functional limitations on the job, and businesses want to accommodate their aging workforce to retain them and their knowledge.
- Information from the state demographer suggests that there is a migration of individuals back to Michigan because of the assets that were shown in the Pure Michigan campaign.
- The lack of venture capital is a concern since the region is strong in R&D and new patents. The Venture Michigan Fund was created to help address this issue and has \$400 million in funds available. One of the problems is that venture capitalists are in coastal areas; they pick up patents from our universities and then force the business to leave the state. Michigan requires venture capitalists to have a presence here in our state.

- We have the talent in science and engineering in Michigan but retaining the graduates is a challenge because we are not attracting the employers here with those jobs. It is critical to keep R&D in Michigan and build upon it.
- Michigan needs to break the cycle of not fueling entrepreneurial activity and create a culture that supports it.
- Entrepreneurial activity can also include businesses expanding.
- There has been entrepreneurial activity across the state at the K-12 and college level. There are several community colleges that now offer entrepreneurial certificates and degrees. In addition, in Career and Technical Education in the intermediate school districts, every program has a component on entrepreneurship.
- Incentives could be used to keep college graduates in Michigan, such as student loan forgiveness. Some organizations utilize incentives such as tuition reimbursement in trade for a certain number of years with a company.
- An initiative in Saginaw called “Live Where You Work” provides individuals funds for a down payment on a house that is within walking distance to their place of employment.
- Part of Michigan’s strategy for attracting and retaining human capital should focus attention on the growing percentage of families in poverty. These pools of adults are a part of our human capital in need training and schooling also.
- Adult education is an area that is suffering in our state and needs focused attention.
- Human capital is the number one reason a company considers when relocating.
- A recent Upjohn study on Michigan competitiveness summarized that reducing Michigan’s growth gap in terms of our economy in comparison with the rest of the country will come not through business tax cuts, but through improving and increasing the educational attainment of Michigan citizens and making the state more attractive to college graduates to live and work. This aligns with the data provided in the presentation.

## V. PUBLIC COMMENT/OTHER BUSINESS/CLOSING REMARKS

Mr. Tomlinson offered the opportunity for public comment and there was none.

Council members were encouraged to fill out the evaluations because they are used for agenda development. The next CLEG meeting is on December 4 from 10:00 a.m. to 2:00 p.m. in Lansing at the MTEC.

There being no further business, Mr. Tomlinson adjourned the meeting at 4:00 p.m.

*In accordance with the Americans With Disabilities Act, the information in these minutes will be made in alternative format (large type, audio tape, etc.) upon request.*

*Approved December 4, 2006*